App. F. IX-4

Previous References
L. M. 22-31 (1-2)
L. M. 6-32 (1-6)
" 21-29 5-7
Later References
" 6-32 (7-8)
L. B. 128-32 (1-2)

1933-4 (L. M.)

File No. 1 33

Serial Nos. 1-3

preserve

p. 12(E)

General and Revenue Secretariat.

Serial Nos. Three

Part B for Aug 33

SUBJECT.

Investment of funds tendered by the Lucknow Commissioner towards subscription to the Debentures of Land mortgage Bank.

D. No. 299. P. 33

To Comptroller & Govt

Hals Nat. Inv. President. L. M. Bank does not want the money to be held at the disposal of the Bank.

Ir

Serial No.	
1	From the Comptroller & Govt. No 171/S.L. dt 20.7.33. Requests in the circumstances explained, amplification of the G.O. dt 20.6.33 so as to permit the immediate withdrawal of Rs 52,800 tendered by the Nizam's Commissioner towards the L.M. Bank's debentures at par. Financial Secy. may perhaps be consulted in the matter. 24/7 Dev: Sec'y) 24/7 Put up the U/S from the Finance Land Revenue Board to submit to financial Secretary. 25.7.33 25/7
2	From the President L.M. Bank No. S.D. 12 dt 24.7.33. Forwards his views on the Comptroller's proposal & suggests that either the Bank may be allowed 5% interest by Govt. on the amounts left unutilized in the hands of the trustee or that the Bank is allowed to keep on the Nizam's funds ingmen interest as is actually earned thereon by the Trustee & that if there should be difficulty, the present practice sanctioned in the G.O may be allowed to

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

Issued as directed
25/7 Dev: Sec^y)
– in. Secretary.

£100 25/7

Cash.
26.7.33. £100 26/7

JC 318/27-7-33
MK

SB
27.7.33

There is considerable force and much to be said in favour of what the President Land Mortgage Bank says in his letter. As per G. O of 13th October 1930, the first Stage of the Debentures of the total value of 1 lakh has to be drawn from the Treasury as and when required, interest being permitted to run upon the amount so drawn from the date of drawing. As thus conditioned, investment in such Debentures by Comptroller of the Trust funds can only arise as and to the extent such drawings are obliged by the Bank at the time that investment is considered ~~of this trust fund~~. Of no Debentures are available for this investment, the Debentures will have to be taken up by first and then transferred to Trust funds. The Comptroller may be advised accordingly. The amounts at present tendered by the Muzrai Commr (both under current and Trust deposits) may be invested thereon to the best advantage possible.

AD
4.8.33

SB 7.8.33.

Second member.

Cash.
7.8.33. £100

I Sd who to discuss this with Rd 7/8 Hd Sec 7/8/33 12/8

Office of the Second Member of Council.
8 AUG. 1933
No. 5-5-H

Serial No.

F 318

Discussed with Member.

The President Land Mortgage Bank does not want the money now to be held at the disposal of the Bank. As regards the debentures ahead issued by the ~~Comptroller~~ Bank, the Comptroller himself contemplate to charitable endowments as per para 3 of GO dtd 20th June 1933 to the extent of Rs 19,175, if not already done. The Muzrai Commissioner may be informed that his request is not susceptible of compliance as he may invest the sum to the best advantage possible consistently with the rules. The reply may go to Comptroller, Copy being sent to the President L.M Bank & the Muzrai Comr

AS
15/8/33

2nd Mr)

Secretariat Council
16 AUG 1933
No. 4040

Chief
16.8.33

Spto
16/8.

I agree with the D/F

Dft
Spto
18/8

Dft
18/8

Draft noted
for KB
21/8

Issue
Spto
21/8

To the Comptroller
No D980 & 29/8/33

Sanctions the proposal that the remaining unspent funds may be invested to the best advantage

of the D981 - Copy to the President Land Mort. Bank

D982 " Muzrai Comr.

BM
20/8

NOTE—Contn. Sheet.

TYPING SEC. DEPT.
25 AUG. 1933
GEN. & REV. SECTT.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 171 /S.L. *Bangalore, dated* 19th July *1933.*

205

From

M. VENKATESA IYENGAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

DEVELOPMENT SECRET. 24 JUL. 1933

GEN. & REV. SECRETARIAT 1933 DEVELOPMENT BRANCH

To

The ~~Financial~~ Secretary to the Government
of Mysore, Development Departments,
Bangalore.

Sir,

(J) With reference to Government Order No.D6529-34/L.M. 6-32-11 dated 20-6-1933 stating that the sum of Rs. one lac to be subscribed for the Debentures of the Mysore Cooperative Land Mortgage Bank, Ltd by Government be taken by Government in the first instance and then passed on to religious and charitable endowments which are seeking investment of funds, I have the honour to state that the Muzrai Commissioner in Mysore has forwarded to this office with his letter No.1512/32-33 dated 17-7-1933 (copy enclosed), Mysore Government 5 years Savings Bank Fixed Deposit Receipts which have matured and pass books with balances to the extent in all of Rs. Rs.52,834-11-5 (including interest) and requested me to invest the amount in the Land Mortgage Bank Debentures at par. He has also stated that it may be possible to find surplus funds of Muzrai Institutions for further investment in these Debentures, if they can be purchased at par. I believe that debentures in these cases will be at par as the authorisation to sell debentures at a premium does not apply to the Government subscription of Rs. one lac or to what is taken up by Muzrai Institutions against this limit of Rs. one lac. There is, however, one difficulty in effecting the subscription immediately. The F.D. Receipts have already matured for repayment and the amount will be losing interest till the same is reinvested.

(V) Government Order No.G.4504-4/L.M.18-20-6 dated 31-10-1930 however, authorises the Bank to issue Debentures for the Government subscription from the date of payment of their bills at the treasuries. The amount so drawn is only Rs.19,175 so far,

far, after allowing for the subscription of Rs.50,000, from the Kadur District Board. The subscription of Muzrai Institutions is not capable of this treatment of being paid piecemeal as and when required by the Bank.

2. I therefore request that the G.O. No.D6529-34/L.M. 6-12-11 dated 20-6-1933 may be kindly amplified so as to permit the immediate subscription of the amount now tendered by the Muzrai Commissioner i.e., Rs.52,800/- . The next subscription on behalf of Government will be made in consultation with the Muzrai Commissioner after this amount is utilised by the Bank. I request early orders as the deposits will be losing interest and will have to be invested elsewhere, otherwise.

I have the honour to be,

Sir,

Your most obedient servant,

M. Venkatesa Iyengar

Comptroller.

S.S.

Letter No.1512/32-33 dated 15/17-7-1933 from the Muzrai Commissioner, to the Comptroller in Mysore, Bangalore.

Referring to para 3 of G.O.No.D.6529-34/L.S. 6-32-11 dated 20-6-33 directing that debentures of the value of Rs.1 lakh to be taken up by Government in the first instance be passed on to Religious and Charitable Endowments which are seeking investment of funds, I have the honour to request to be informed whether the debentures may be purchased at their face value or if any premium has to be paid. If former, it may be possible to find surplus funds of Muzrai institutions to the extent necessary which may be profitably invested in the debentures. As a first instalment, I request you to kindly arrange to purchase debenture bonds in respect of the following Savings Bank Deposits - Fixed and ordinary. On receipt of intimation necessary withdrawal forms will be presented to the Treasury and transfer of funds effected.

1. Fixed Deposit Receipt for Rs.20,000,
   No.3840 dated 30-6-28 with interest upto date.
2. Fixed Deposit Receipt for Rs.1,500. No.3882 dated 20-7-28.
3. Savings Bank Account No.12607. Rs.5259-11-5 with interest upto the date of closing the account.
4. do No.15425 Rs.25,000, the interest upto the date of closing the account being credited to the Chattram Savings Fund.

2. The Fixed Deposit Receipts and Pass Books are sent for reference and obliging return.

"Copy".

D. Lakshminarasimhaiya
Superintendent, S.L. Section. 20/7/33

WHILE REPLYING PLEASE REFER TO
NO. S.I. 12

BANGALORE CITY,

DATED 24th July 1933.

301

GEN. & REV. SECRETARIAT
25 JUL 1933
DEVELOPMENT

From

Rajasabhabhushana K. R. SRINIVASIENGAR. Esq., M.A.,
President. The Mysore Co-operative Land Mortgage Bank, Ltd.,
BANGALORE CITY.

DEVELOPMENT SECRETARY
25 JUL 1933

The Secretary to the Government of
His Highness The Maharaja of Mysore,
Development Department, B A N G A L O R E.

Sir,

With reference to letter No: 171-2 dated 19/20th instant addressed to you by the Comptroller to Government, (a copy of which has been kindly forwarded to the Bank with his memo No: 173/S.L. of the same date), reporting that an amount of Rs. 52,800/- tendered by the Muzrai Commissioner for being invested in the debentures of this Bank is not capable of being treated as subscription piecemeal as and when required by the Bank, and suggesting that Government Order No: 6529-34/L.M. 6-32-11 dated 20th June 1933 may be amplified so as to permit the immediate subscription of the whole amount, I have the honour to state that the object with which sanction of Government was sought for and obtained by the Bank for drawing only as and when required, instead of in a lump sum all at once, the amount of 1 lakh for which the Bank's debentures were taken up by Government, was to save the Bank from the loss which it would suffer if the Bank were to pay interest to Government at 5% while it was being paid by Government interest only at the Savings Bank rate during the time that the amount remained unutilized in the hands of the Trustee. The proposal made by the Comptroller in his letter under advertence is calculated to frustrate this object. There can be no objection to the adoption of the Comptroller:

Comptroller's suggestion provided that either the Bank is allowed interest at 5% by Government on the amounts left from time to time unutilized in the hands of the Trustee, or the Bank is allowed to pay on the Muzrai-funds proposed to be invested in the debentures only such interest as is actually earned thereon by the Trustee ~~will~~ till it is fully drawn upon and utilized by the Bank for loans to its members. If there is difficulty (as I am afraid there may be) in the adoption of either of the above courses, I beg to represent that the present practice sanctioned in the Government Order No: 4504-6/L.M. 18-29-6 dated 31st October 1930 should not be modified as suggested by the Comptroller as it will result in considerable loss to the Bank and it cannot reasonably be asked to bear such loss in order to benefit the Muzrai institutions by enabling them to earn a somewhat higher rate of interest on their funds for a short period.

I have the honor to be,

S i r,

Your most obedient servant,

PRESIDENT.

T.V.L.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to ....

General and Revenue Secretariat

( )

the *193* .

Date of issue 28/8/33

Signed by H. Sec.

List of enclosures.....

Copied by.....

Examined by.....

Section L m

File No. 1-33

Serial No. 3

No. 2180

To The Comptroller & Gov

Sir,

With refee to your letter No 171/SL of 19/20-7-33 requesting orders in the matter of the investment of funds tendered by the Muzrai Commissioner towards subscription to the debentures of the L. M. Bank, I am directed to state that the President of the L. M. Bank in his letter No. S. I. 12 of 24.7.33 has objected to the procedure suggested by you in regard to the investment of the Muzrai funds on the ground that it will result in ~~considerable loss to the Bank~~

does not want the money
to be held at the disposal of
the Bank. As regards the debentures
already issued by the Bank, you
may yourself transfer the money
~~the amount~~ to the Charitable endowments
as per para 3 of G.O. No 06529-34/
Fin 6-32-11 dt 20-6-1933 to the
extent of Rs 19,175 if this has not
already been done & the Nuzrai Commr
may be informed that he may
invest the remaining funds to the best
advantage possible Consistent
with the rules.

I have &c

Sd/- 22/8
L. Dewsecy

Memo No: 9987-D 1818/33

Copy forwarded to the
(1) President of the L.M. Bank
and (2) Nuzrai Commissioner in
Mysore for information

By order

Sd/-

for Dewsecy

D 980
R. M. 1-33-3

From

The Secy to Govt

~~xxxxxxxxxxxxxxxxxx~~

Development Department.

To

The Comptroller to Government,
Bangalore.

Bangalore, 20th August 1933. xxxx

Sir,

With reference to your letter No.171/[illegible], dated 19/20th July 1933 requesting orders in the matter of the investment of funds tendered by the Muzrai Commissioner towards subscription to the debentures of the Land Mortgage Bank, I am directed to state that the President of the Land Mortgage Bank does not want the money to be held at the disposal of the Bank. In regard to the debentures already issued by the Bank, you may yourself transfer the money to the Charitable Endowments as per para 3 of Government Order No.D6529-34/L.M.C-32-11 dated 20th June 1933 to the extent of Rs 19,175 if this has not already been done and the Muzrai Commissioner may be informed that he may invest the remaining funds to the best advantage possible consistent with the rules.

I have the honor to be,
Sir,
Your most obedient servant,

Sd/- S. Abdul Wajid,
For Secretary to Government,
Development Department.

[illegible].R.-4

p.t.o.

Memo No. D 981 28.

Bangalore, Dated, the 26th August 1933.

Copy of the foregoing is forwarded to the President, Land Mortgage Bank, Bangalore.

By Order,

For Secretary to Government,
& Development Department.

2.

Memo No. D 982

Bangalore, dated, the 26th August 1933.

Copy of the foregoing is forwarded, with compliments, to the Muzrai Commissioner in Mysore, Bangalore, for information.

By Order,

For Secretary to Government,
& Development Department.